Form (2) Sr. No. 5589-B
Dated 13.12.2004

The Myanmar Investment Commission

PERMIT

Permit No. 397/04 Date 13th DECEMBER, 2004

The Myanmar Investment Commission issues this Permit under Section 10 of the Union of Myanmar Foreign Investment Law -

(a) Name of Promoter MANAGING DIRECTOR ,MYANMA OIL & GAS ENTERPRISE

(b) Citizenship MYANMAR

(c) Address NO.74/80 MIN YE KYAW ZWAR ROAD, YANGON

(d) Name and address of principal organization MYANMA OIL & GAS ENTERPRISE, NO.74/80 MIN YE KYAW ZWAR ROAD, YANGON.

(e) Place of incorporation YANGON

(f) Type of business in which investment is to be made EXPLORATION & PRODUCTION OF OIL & GAS

(g) Place (s) at which investment is permitted BLOCK A - 4 RAKHINE OFFSHORE AREA

(h) Amount of foreign capital US $ 18.1 MILLION

(i) Period for bringing in foreign capital 2005 TO 2010

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF US $ 18.1 MILLION

(k) Permitted duration of investment 6 YEARS

(l) Name of the economic organization to be formed in Myanmar CNOOC MYANMAR LTD, ~~GOLDEN AARON PTE LTD~~ CHINA FOCUS DEVELOPMENT LTD. AND CHINA HUANQIU CONTRACTING AND ENGINEERING CORPORATION(HQCEC)

The Name of the Company amended as per resolution made by the Trade Council at its meeting 18/2006 dated 7-6-2006.

(Mya Thuza)
Director

Chairman
The Myanmar Investment Commission

မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၃၉၇/၀၄ ၂၀၀၄ ခုနှစ်၊ ဒီဇင်ဘာ လ ၁၃ ရက်။

ပြည်ထောင်စုမြန်မာနိုင်ငံတော် နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု ဥပဒေပုဒ်မ ၁၀ အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည် -

(က) ကမကထပြုသူ၏အမည် ဦးဆောင်ညွှန်ကြားရေးမှူး၊ မြန်မာ့ရေနံနှင့်သဘာဝဓါတ်ငွေ့လုပ်ငန်း

(ခ) မည်သည့်နိုင်ငံသား မြန်မာ

(ဂ) နေရပ်လိပ်စာ အမှတ်-၇၄/၈၀၊ မင်းရဲကျော်စွာလမ်း၊ ရန်ကုန်မြို့။

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့်လိပ်စာ မြန်မာ့ရေနံနှင့်သဘာဝဓါတ်ငွေ့လုပ်ငန်း အမှတ်-၇၄/၈၀၊ မင်းရဲကျော်စွာလမ်း၊ ရန်ကုန်မြို့။

(င) ဖွဲ့စည်းရာအရပ် ရန်ကုန်မြို့။

(စ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်မည့်လုပ်ငန်းအမျိုးအစား ရေနံနှင့်သဘာဝဓါတ်ငွေ့ရှာဖွေတူးဖော်ထုတ်လုပ်ရေးလုပ်ငန်း

(ဆ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်ခွင့်ပြုသည့်အရပ်ဒေသ(များ) လုပ်ကွက်အမှတ်၊ A-4 ရခိုင်ကမ်းလွန်ဒေသ

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း အမေရိကန်ဒေါ်လာ ၁၈.၁ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ၂၀၀၅ ခုနှစ်မှ ၂၀၁၀ ခုနှစ်အထိ

(ည) စုစုပေါင်း မတည်ငွေရင်း ပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ ၁၈.၁ သန်းနှင့် ညီမျှသောမြန်မာကျပ်ငွေ

(ဋ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့်သက်တမ်း ၆ နှစ်

(ဌ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် စီးပွားရေးအဖွဲ့အစည်းအမည်
CNOOC MYANMAR LTD, CHINA FOCUS DEVELOPMENT LTD. ~~GOLDEN [illegible]~~, AND CHINA HUANQIU CONTRACTING AND ENGINEERING CORPORATION(HQCEC)

၇-၆-၂၀၀၆ နေ့တွင်ပြုလုပ်သည့်ကုန်သွယ်မှုမူဝါဒကော်မတီအစည်းအဝေး အမှတ်စဉ် ၁၈/၂၀၀၆ ဆုံးဖြတ်ချက်အရကုမ္ပဏီ အမည်ပြင်ဆင်သည်။

၇/၆/၀၆

(မြသူဇာ)
ညွှန်ကြားရေးမှူး

ဥက္ကဋ္ဌ
မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

GOVERNMENT OF THE UNION OF MYANMAR

MYANMAR INVESTMENT COMMISSION

Our ref : Ya Ka-1/Na-258/2006(၆၀၀)
Dated : ၇ August 2006.

Tel : 067-406334,406075
Tel : 01-372219, 372890
Fax : 095-67-406333
Fax : 095-01-254660

Subject : Decision of the Myanmar Investment Commission for Amendment of the Name of the Company.

Reference: Ministry of Energy, Letter No.008/633 Hta dated (5-5-2006)

1. The Myanmar Investment Commission, at its meeting 16/2006 held on (23-5-2006), and the Trade Council, at its meeting (18/2006) held on (7-6-2006) had approved that the name of " CNOOC MYANMAR LTD, CHINA HUANQIU CONTRACTING & ENGINEERING CORP (HQCEC), GOLDEN AARON PTE LTD, SINGAPORE" be changed to " CNOOC MYANMAR LTD, CHINA HUANQIU CONTRACTING & ENGINEERING CORP (HQCEC), CHINA FOCUS DEVELOPMENT LIMITED" pursuant to Deed of Assignment signed between GOLDEN AARON PTE LTD, SINGAPORE and CHINA FOCUS DEVELOPMENT LIMITED.

2. Hence, the Name of the Company is hereby amended as CNOOC MYANMAR LTD, CHINA HUANQIU CONTRACTING & ENGINEERING CORP (HQCEC), CHINA FOCUS DEVELOPMENT LIMITED accordingly on the Permit No.397/2004 dated 13-12-2004.

3. CNOOC MYANMAR LTD, CHINA HUANQIU CONTRACTING & ENGINEERING CORP (HQCEC), CHINA FOCUS DEVELOPMENT LIMITED in consultation with the Department of Company Administration, Directorate of Investment and Company Administration, shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.

4. It is also hereby notified that CNOOC MYANMAR LTD, CHINA HUANQIU CONTRACTING & ENGINEERING CORP (HQCEC), CHINA FOCUS DEVELOPMENT LIMITED shall have to abide by all terms and conditions stated in Commission's Letter No.Ya.Ka-1/Na-560/2004 (5589-B) dated 13-12-2005.

By Order

(Mya Thuza)
Director

Managing Director
Myanma Oil and Gas Enterprise.

cc:
1. Office of the Chairman of State Peace and Development Council
2. Office of the State Peace and Development Council
3. Office of the Government of the Union of Myanmar
4. Ministry of National Planning and Economic Development
5. Ministry of Finance and Revenue
6. Ministry of Commerce
7. Ministry of Energy
8. Ministry of Foreign Affairs
9. Ministry of Home Affairs
10. Ministry of Immigration and Population
11. Ministry of Labour
12. Ministry of Electric Power (1)
13. Ministry of Electric Power (2)
14. Chairman, Foreign Capital Evaluation Committee
15. Director General, Directorate of Investment and Company Administration
16. Director General, Customs Department
17. Director General, Internal Revenue Department
18. Managing Director, Myanma Foreign Trade Bank
19. Managing Director, Myanma Investment and Commercial Bank
20. Managing Director, Myanma Insurance
21. Managing Director, Myanma Electric Power Enterprise
22. Director General, Directorate of Trade
23. Director General, Immigration and National Registration Department
24. Director General, Directorate of Labour
25. Chairman, Union of Myanmar Federation of Chambers of Commerce and Industry(UMFCCI)

amount of US$ 50,000 (United States Dollars Fifty Thousand Only) per annum for Exploration Period and US$ 100,000 (United States Dollars One Hundred Thousand Only) per annum for Production Period and shall also provide Research and Development Fund to the amount of 0.5 (Zero Point Five) percent of its share of profit Petroleum in favour of Myanma Oil and Gas Enterprise.

11. CNOOC Myanmar Ltd, Golden Aaron Pte Ltd, Singapore and China Huanqiu Contracting and Engineering Corporation (HQCEC) is liable to pay the Government the following tranches out of the net profit made on the sale or transfer of the shares in the Company.

(a)	If the amount of Net Profit is up to US$ 100 million (United States Dollars One Hundred Million Only)	40%
(b)	If the amount of Net Profit is between US$ 100 million (United States Dollars One Hundred Million Only) and US$ 150 million (United States Dollars One Hundred and Fifty Million Only)	45%
(c)	If the amount of Net Profit is over US$ 150 million (United States Dollars One Hundred and Fifty Million Only)	50%

12. In issuing this "Permit", the Commission has granted the following exemptions and reliefs :

(a) As per Section-21(e), CNOOC Myanmar Ltd, Golden Aaron Pte Ltd, Singapore and China Huanqiu Contracting and Engineering Corporation (HQCEC) shall have the right to pay income-tax payable to the State on behalf of foreigners who have come from abroad and are employed for the project.

(b) As per Section-21(f), the Commission has also approved the right to pay income-tax on the income of the above-mentioned foreigners at the rates applicable to the citizens residing within the country.

(c) As per Section-21(i) and (j), exemption from customs duty and all other internal taxes on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which they are imported as they are actually required, and also on such raw materials imported during the period of exploration.

13. CNOOC Myanmar Ltd, Golden Aaron Pte Ltd, Singapore and China Huanqiu Contracting and Engineering Corporation (HQCEC)shall have to sign the Production sharing Contract with Myanma Oil and Gas Enterprise. After signing such Agreement, (5) copies each of those shall have to be forwarded to the Commission.

14. CNOOC Myanmar Ltd, Golden Aaron Pte Ltd, Singapore and China Huanqiu Contracting and Engineering Corporation (HQCEC)in consultation with the Department of Company Administration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission.

15. CNOOC Myanmar Ltd, Golden Aaron Pte Ltd, Singapore and China Huanqiu Contracting and Engineering Corporation (HQCEC)shall use its best efforts for timely realization of works stated in the Proposal. If none of such works has been commenced within one year from the date of issue of this "Permit", it shall become null and void.

16. The official date of operation shall be reported to the Commission.

17. CNOOC Myanmar Ltd, Golden Aaron Pte Ltd, Singapore and China Huanqiu Contracting and Engineering Corporation(HQCEC)shall endeavour to meet the targets for Exploration and Production of Petroleum stated in the proposal as the minimum target.

18. The Commission approves periodical appointments of foreign experts and technicians from abroad as per Proposal. CNOOC Myanmar Ltd, Golden Aaron Pte Ltd, Singapore and China Huanqiu Contracting and Engineering Corporation (HQCEC) shall have to consult with Directorate of Labour, Ministry of Labour for appointment of such foreign experts and technicians.

19. In order to evaluate foreign capital in terms of Kyats and for the purpose of its registration in accordance with the provision under Section-24 of the Union of Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner:-

(a) the amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened;
(b) the detailed lists of the type and value of foreign capital defined under Section-2(h) of the said Law, other than foreign currency, to the Chairman, Foreign Capital Evaluation Committee.

20. Whenever CNOOC Myanmar Ltd, Golden Aaron Pte Ltd, Singapore and China Huanqiu Contracting and Engineering Corporation (HQCEC) brings in foreign capital defined under Section-2(h) of the said Law, other than foreign currency in the manner stated in paragraph 19(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

21. After all types of foreign capital (foreign currency and other types of foreign capital) have been brought into Myanmar, a report shall have to be submitted to the Commission as prescribed, vide letter No. Na-Ya 9/101/92(416) dated 3-12-92 [Annexure(1)].

22. CNOOC Myanmar Ltd, Golden Aaron Pte Ltd, Singapore and China Huanqiu Contracting and Engineering Corporation (HQCEC) shall report to the Commission of any alteration in the physical and financial plan of the project. Cost over-run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

23. CNOOC Myanmar Ltd, Golden Aaron Pte Ltd, Singapore and China Huanqiu Contracting and Engineering Corporation (HQCEC)shall be responsible for the preservation of the environment at and around the area of the project site. Hence, it shall observe the directive issued by the Commission vide letter No. Ya Ka-1/139/94(0440) dated 30-6-94 [Annexure(2)] to undertake all proper treatment systems and other necessary environmental control systems.

24. Payment of principal and interest of the loan (if any) as well as payment for import of raw materials and spare parts etc. shall only be made out of the official foreign exchange earnings of CNOOC Myanmar Ltd, Golden Aaron Pte Ltd, Singapore and China Huanqiu Contracting and Engineering Corporation(HQCEC).

25. CNOOC Myanmar Ltd, Golden Aaron Pte Ltd, Singapore and China Huanqiu Contracting and Engineering Corporation (HQCEC)in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter VIII, Rule 15 of the Procedures relating to the Union of Myanmar Foreign Investment Law.

U Thaung

(U Thaung)
Chairman

Managing Director
Myanma Oil and Gas Enterprise.

cc:
1. Office of the Chairman of State Peace and Development Council
2. Office of the State Peace and Development Council
3. Office of the Government of the Union of Myanmar
4. Office of the Chief of Military Intelligence, Ministry of Defence
5. Ministry of National Planning and Economic Development
6. Ministry of Finance and Revenue
7. Ministry of Commerce
8. Ministry of Energy
9. Ministry of Foreign Affairs
10. Ministry of Home Affairs
11. Ministry of Immigration and Population
12. Ministry of Labour
13. Ministry of Electric Power
14. Chairman, Foreign Capital Evaluation Committee
15. Director General, Directorate of Investment and Company Administration
16. Director General, Customs Department
17. Director General, Internal Revenue Department
18. Managing Director, Myanma Foreign Trade Bank
19. Managing Director, Myanma Investment and Commercial Bank
20. Managing Director, Myanma Insurance
21. Managing Director, Myanma Electric Power Enterprise
22. Director General, Directorate of Trade
23. Director General, Immigration and National Registration Department
24. Director General, Directorate of Labour
25. Chairman, Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI)

GOVERNMENT OF THE UNION OF MYANMAR

MYANMAR INVESTMENT COMMISSION

653 / 691, Merchant Street, Yangon.

Our ref : YaKa–1/ Na-560/2004 (5589-B) Tel : 372219, 372855

Dated : 13th December 2004. Fax : 095-01-254660

Subject : Decision of the Myanmar Investment Commission on the Proposal for "Exploration and Production of Oil & Gas" under the name of "CNOOC Myanmar Ltd, Golden Aaron Pte Ltd, Singapore and China Huanqiu Contracting and Engineering Corporation (HQCEC)."

Reference: Ministry of Energy letter No. 008/631/Hta dated 24-11-2004.

1. The Myanmar Investment Commission, at its meeting 44/2004 held on 23-11-2004, had reviewed the proposals for investment in "Exploration & Production of Oil & Gas" for Rakhine offshore Block (A-4) under the name of " CNOOC Myanmar Ltd., (British Virgin Islands);Golden Aaron Pte Ltd.,(Singapore) and China Huanqiu Contracting and Engineering Corporation(China)" pursuant to the Production Sharing Contract to be signed between Myanma Oil & Gas Enterprise and CNOOC Myanmar Ltd., Golden Aaron Pte Ltd., Singapore and China Huanqiu Contracting and Engineering Corporation(HQCEC). After careful review, it was deliberated that the proposed project be approved in principle for implementation and the proposal be submitted to the Cabinet meeting for final approval.

2. The Cabinet, at its meeting 46/2004 held on 10-12-2004, resolved to permit the impelementation of the said project. Hence, the "Permit" is herewith issued in accordance with Chapter VI, Section 10 of the Union of Myanmar Foreign Investment Law and Chapter VI, Rule 13 of the Procedures relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be an initital term of 5 years, comprising 12(Twelve) months for study period and 2 (Two) years for exploration period which can be extended 1½ (one and a half year) at a time for 2(Two) times.

4. CNOOC Myanmar Ltd, Golden Aaron Pte Ltd, Singapore and China Huanqiu Contracting and Engineering Corporation(HQCEC) shall pay royalty to the Government equal to 10(Ten) percent of the value of Available Petroleum from the Contract Area.

5. CNOOC Myanmar Ltd, Golden Aaron Pte Ltd, Singapore and China Huanqiu Contracting and Engineering Corporation(HQCEC) shall pay a Data Fee to the amount of US$ 200,000 (United States Dollars Two Hundred Thousand Only) to Myanma Oil and Gas Enterprise within 30(Thirty) days after the Effective Date.

6. CNOOC Myanmar Ltd, Golden Aaron Pte Ltd, Singapore and China Huanqiu Contracting and Engineering Corporation(HQCEC) shall pay to the amount of US$ 2,000,000 (United States Dollars Two Million Only) as Signature Bonus within 30 (Thirty) days after entering the Exploration Period to Myanma Oil and Gas Enterprise.

7. CNOOC Myanmar Ltd, Golden Aaron Pte Ltd, Singapore and China Huanqiu Contracting and Engineering Corporation (HQCEC) shall pay Production Bonus to Myanma Oil and Gas Enterprise with respect to each crude oil Development and Production Area as follows:

Production Bonus
Crude Oil

At BOPD (Barrels Per Day)	US $ (Million)
Upon approval of Development Plan	1.0
25,000	2.0
50,000	3.0
100,000	4.0
150,000	5.0
200,000	15.0

Natural Gas

At MMCFD	US $ (Million)
Upon approval of Development Plan	1.0
150	1.5
300	2.5
600	3.5
750	4.0
900	10.0
1200	15.0

8. Production Split between Myanma Oil and Gas Enterprise and CNOOC Myanmar Ltd, Golden Aaron Pte Ltd, Singapore and China Huanqiu Contracting and Engineering Corporation (HQCEC) shall be allocated for Development and Production Area as follows:

Crude Oil

	Water Depth 600 feet or less		Water Depth more than 600 feet	
BOPD	MOGE (%)	CONTRACTOR (%)	MOGE (%)	CONTRACTOR (%)
0 - 25,000	65	35	60	40
25,001 - 50,000	70	30	65	35
50,001 -100,000	75	25	70	30
100,001-150,000	80	20	75	25
>150,000	85	15	80	20

Natural Gas

	Water Depth 600 feet or less		Water Depth more than 600 feet	
BOPD	MOGE (%)	CONTRACTOR (%)	MOGE (%)	CONTRACTOR (%)
0 - 300	65	35	55	45
> 300	70	30	60	40

9. After the commencement of commercial production of Crude Oil, CNOOC Myanmar Ltd, Golden Aaron Pte Ltd, Singapore and China Huanqiu Contracting and Engineering Corporation(HQCEC)shall fulfill as its obligation 20(Twenty) percent of Crude Oil and 25% of Natural Gas toward the supply of the domestic Crude Oil market and Natural Gas market in Myanmar. Myanma Oil and Gas Enterprise shall pay the price equivalent of 90 (Ninety) percent of the Fair Market value.

10. CNOOC Myanmar Ltd, Golden Aaron Pte Ltd, Singapore and China Huanqiu Contracting and Engineering Corporation (HQCEC)shall provide Training Fund to the